

CHARTERHOUSE GENERAL PARTNERS (VII) LIMITED

THURSDAY



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REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

REPORT OF THE DIRECTORS

DIRECTORS

The Directors of the Company are:

Mr D Aldred
Mr J G Bonnyman
Mr W B D Dockeray
Mr L Giacomotto
Mr J E Greenhalgh
Mr M Offord
Mr T S Patrick
Mr T R Plant
Mr S D Simpson

Mr D Aldred, Mr J G Bonnyman, Mr W B D Dockeray, Mr L Giacomotto, Mr J E Greenhalgh, Mr M Offord, and Mr T R Plant held office throughout the year.

Mr T S Patrick was appointed on 10 February 2011 and Mr S D Simpson was appointed on 31 March 2011. Mr R G Pilgrim resigned on 30 June 2011.

BUSINESS REVIEW AND PRINCIPAL BUSINESS ACTIVITY

The principal activity of the Company is to act as a general partner to investment funds. During 2011, the business has performed in line with its Directors' expectations. The Company remains primarily dependent upon income received from funds under management and this is expected to continue for the foreseeable future.

Risk affecting the business principally relate to Charterhouse Capital Partners VII (the "Fund") being unable to satisfy Management Profit Share owing to the Company, due to the Fund's Limited Partners failing to meet their obligations to meet draw down requests made by the Fund.

The Directors recognise that the Limited Partners of the Fund each have an obligation under the terms of the Fund's Limited Partnership Agreements to contribute capital and loans up to the amount of their commitments, with provisions in the agreements dealing with failure to comply with drawdown notices. The Directors also note that the Fund has a well-diversified investor base, with undrawn commitments sufficient to meet all known liabilities of the Fund, and has had no defaults on the payment of drawdown notices by any Limited Partners in the Fund.

No new activities outside of the core business have been entered into or are contemplated.

PROFIT AND DIVIDENDS

The profit for the year after taxation was £319,000 (2010 loss £1,102,000). The Directors do not recommend the payment of a dividend (2010 nil).

GOING CONCERN

The Company has sufficient financial resources, and as a consequence, the Directors believe that the Company is well-placed to manage its business risk. With this in mind and having made all reasonable enquiries and having respect to the nature of the Company and its activities, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason the Directors adopt the going concern basis in preparing financial statements.

REPORT OF THE DIRECTORS (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' INDEMNITIES

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this Report.

SMALL COMPANIES REGIME

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as each person who was a Director at the date of approving this Report is aware, there is no relevant audit information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with s418 of the Companies Act 2006.

CHARTERHOUSE GENERAL PARTNERS (VII) LIMITED
REGISTERED NO 2197301

REPORT OF THE DIRECTORS (continued)

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been made for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

By Order of the Board



L M LAW
Secretary

6 March 012

Warwick Court
Paternoster Square
London, EC4M 7DX

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2011

	Notes	2011 £'000s	2010 £'000s
Turnover	2	4,274	3,220
Other operating income	3	-	782
Administrative expenses	4	(4,253)	(5,380)
Profit/(loss) on ordinary activities before taxation		21	(1,378)
Taxation credit on ordinary activities	5	298	276
Retained profit/(loss) for the year		319	(1,102)
Retained profit at 1 January		784	1,886
Retained profit at 31 December		1,103	784

All income and expenditure arose from continuing activities

The only movement in Shareholders' Funds is the profit for the year

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains and losses in the current or the prior accounting period other than the profit/(loss) as stated above

The notes on pages 6 to 10 form part of these accounts

CHARTERHOUSE GENERAL PARTNERS (VII) LIMITED
REGISTERED NO 2197301

BALANCE SHEET

at 31 December 2011

	Notes	2011 £'000s	2010 £'000s
FIXED ASSETS			
Investments	6	-	-
CURRENT ASSETS			
Amounts owed by fellow subsidiary undertakings	7	804	514
Group relief debtor		443	275
Cash at bank		5	5
Debtors. Amounts falling due after more than one year	8	23	-
		<u>1,275</u>	<u>794</u>
CREDITORS – amounts falling due within one year			
Deferred taxation	9	139	-
Amounts due to managed funds		23	-
		<u>162</u>	<u>-</u>
NET CURRENT ASSETS		<u>1,113</u>	<u>794</u>
NET ASSETS		<u>1,113</u>	<u>794</u>
CAPITAL AND RESERVES			
Called up share capital	10	10	10
Profit and loss account		1,103	784
TOTAL SHAREHOLDERS' FUNDS		<u>1,113</u>	<u>794</u>

The financial statements of Charterhouse General Partners (VII) Limited (registered number 2197301) were approved by the Board of Directors and authorised for issue on 6 March 2012. They were signed on its behalf by



W B D DOCKERAY
Director

The notes on pages 6 to 10 form part of these accounts

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2011

1 ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable UK accounting standards

Cash flow statement

The financial statements of the Company are included in the consolidated financial statements of its ultimate parent company which are publicly available. Consequently, the Company is exempt under the terms of FRS 1 (Revised 1996) Cash Flow Statement from publishing a cash flow statement

Going concern

The Company has sufficient financial resources, and as a consequence, the Directors believe that the Company is well-placed to manage its business risk. With this in mind and having made all reasonable enquiries and having respect to the nature of the Company and its activities, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason the Directors adopt the going concern basis in preparing financial statements.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities are denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. All exchange differences are included in the profit and loss account

Limited partnerships under management

The Company is General Partner of certain limited partnerships (the "Funds") which invest in, primarily, unlisted companies in the UK and Europe. Due to the nature of limited partnerships, the Funds could technically be considered as subsidiary undertakings of the General Partner. However, as the distribution of the assets of the Funds are determined by the limited partnership agreements, the General Partner's rights over the assets of the Funds are severely restricted and therefore the Funds have been excluded from consolidation

In addition, the General Partner controls certain investments of the Funds which are excluded from consolidation as the General Partner's control is exercised only on behalf of the investors in the Funds in a fiduciary capacity

Investments

Unlisted investments are included at cost less provision for any permanent diminution in value

Turnover

The Company receives management profit shares from the Funds which are accounted for when receivable.

CHARTERHOUSE GENERAL PARTNERS (VII) LIMITED

REGISTERED NO 2197301

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2011 (continued)**1 ACCOUNTING POLICIES (continued)****Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to apply more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2 TURNOVER

	2011	2010
	£'000s	£'000s
Fees receivable in respect of management profit share	4,274	3,220

3 OTHER OPERATING INCOME

	2011	2010
	£'000s	£'000s
Sundry fees	-	782
	-	782

4 ADMINISTRATIVE EXPENSES

Administrative expenses include advisory and related charges from other Group entities. The Directors do not receive any remuneration for their services to the Company and have not waived any remuneration (2010 nil)

The auditor's remuneration of £6,000 (2010 £5,000) has been borne by a fellow subsidiary undertaking

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2011 (continued)

5 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2011		2010	
	£'000s	£'000s	£'000s	£'000s
a) Analysis of credit/(charge) in the period				
Current tax				
UK corporation tax on profit for the period	443		274	
Adjustments in respect of prior periods	(6)		2	
Total current taxation credit		437		276
Deferred tax				
Origination and reversal of timing differences (note 9)		(139)		-
Tax credit on profit/(loss) on ordinary activities		298		276

b) Factors affecting tax charge for period

The tax assessed differs from the standard rate of corporation tax in the UK of 26.49% (2010 28%). The differences are explained below:

	2011 £'000s	2010 £'000s
Profit/(loss) on ordinary activities before tax	21	(1,378)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.49% (2010 28%)	(6)	386
Effects of:		
Accounting allocation of profits from Funds in excess of/(less than) tax allocation of profits from Funds	1,097	(949)
Tax losses (carried forward)/utilised	(676)	860
Expenses not deductible for tax purposes	28	(23)
Adjustments in respect of prior period	(6)	2
Current taxation credit for period	437	276

6 INVESTMENTS

Investments comprise a capital contribution of £69 to CCP VII GmbH & Co. KG (2010 £69), which is valued at cost. There has been no movement during the period.

7 AMOUNTS OWED BY FELLOW SUBSIDIARY UNDERTAKINGS

The amounts owed by fellow subsidiary undertakings are interest free and at call.

8 DEBTORS

	2011 £'000s	2010 £'000s
Amounts falling due after more than one year		
- Amounts due from managed funds	23	-

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2011 (continued)

9 DEFERRED TAXATION	2011 £'000s	2010 £'000s
At 1 January	-	-
Origination and reversal of timing differences	139	-
At 31 December	139	-

The net deferred tax charge of £139,000 comprises a liability of £1,003,000, which is a result of the accounting allocation of profits from the Funds being greater than the tax allocation of profits from the Funds and an asset of £864,000, which is a result of surplus tax losses carried forward.

10 SHARE CAPITAL	2011 £'000s	2010 £'000s
Authorised, allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	10	10

11 RELATED PARTY TRANSACTIONS

The Company acts as the General Partner or Co-Managing Limited Partner to the following limited partnerships, which together comprise the Funds

CCP VII LP No 1.1
CCP VII LP No. 1 2
CCP VII LP No 2 1
CCP VII LP No 2 2
CCP VII GmbH & Co KG
CCP VII Co-investment LP A
CCP VII Co-investment LP B
CCP VII Co-investment LP C
CCP VII Co-investment LP D
CCP VII Co-investment LP E
CCP VII Co-investment LP F
CCP VII Co-investment LP G
Charterhouse Saga LP

These limited partnerships are considered to be related parties by virtue of the control exercised by the General Partner over the management of the limited partnerships

Income receipts from the limited partnerships during the year comprised management profit share calculated on terms prescribed within the respective limited partnership agreements. The total receipt is disclosed as turnover in note 2 to these accounts.

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2011 (continued)

11 RELATED PARTY TRANSACTIONS (continued)

At the balance sheet date, there were no amounts owed by the limited partnerships in respect of outstanding management profit share (2010 nil).

Under the terms of Financial Reporting Standard No 8 "Related Party Disclosures" (FRS 8) the Company, which is a wholly owned subsidiary, is exempt from disclosing transactions with other wholly owned companies within the same group.

The entity also has transactions with Charterhouse Capital Partners LLP, which is not a 100% subsidiary

12 ULTIMATE PARENT UNDERTAKING

The Company's ultimate parent undertaking and ultimate controlling party as defined under Financial Reporting Standard No 8 "Related Party Disclosures" (FRS 8) is Charterhouse Capital Limited, which is registered in England and Wales

The ultimate parent undertaking of the smallest and largest group in which the financial statements of the Company are consolidated is Charterhouse Capital Limited

The consolidated financial statements of Charterhouse Capital Limited may be obtained from the Company Secretary, Warwick Court, Paternoster Square, London EC4M 7DX.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHARTERHOUSE GENERAL PARTNERS (VII) LIMITED**

We have audited the financial statements of Charterhouse General Partners (VII) Limited for the year ended 31 December 2011, which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses and Balance Sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibility Statement (set out on page 2), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.


CHARTERHOUSE GENERAL PARTNERS (VII) LIMITED
REGISTERED NO. 2197301

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHARTERHOUSE GENERAL PARTNERS (VII) LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report.



David Barnes ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London

6 March 2012